Regional Transportation Authority

1994 Financial Report

Fourth Quarter

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Budget & Financial Review of the
Regional Transportation Authority
and Service Boards

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Regional Transportation Authority

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Full Year 1994 Deficit Versus Budget
(in millions)

	Deficit Variance
CTA	$0.0
Metra	10.4
Pace	1.9
S.B. Total	$12.3

- **The CTA's deficit was even with budget for 1994.** This represented quite a comeback from earlier in the year.

- **Metra's operating deficit was $10.4 million favorable with positive variances in both revenues and expenses for the year-to-date.**

- **Pace's deficit was $1.9 million favorable due to lower expenses than budgeted.** (Pending final closing of the Pace Paratransit Grant, this variance is likely to be reduced by $0.8 million.)

Full Year Recovery Ratio Versus Budget

	Rec Ratio	Vs. Budget
CTA	53.0%	0.0 pts
Metra	57.7%	2.7 pts
Pace	35.1%	0.6 pts
RTA	52.6%	0.8 pts

Sales Tax and Economic Indicators
(in millions)

November		November YTD		
Actual	Vs Bud	Actual	Vs Bud	Vs Prior Yr
$42.5	$2.0	$444.4	$8.1	$29.8

- **After eleven months of 1994, sales tax results were $8.1 million higher than budget and $29.8 million greater than last year.**

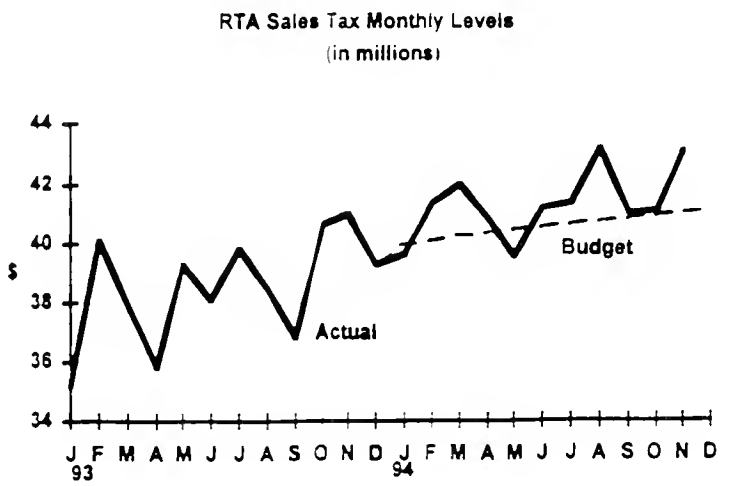
Full Year 1994 Ridership
(in millions)

	Vs Budget		Vs Prior Year	
Actual	#	%	#	%
558.8	(5.2)	(0.9%)	5.1	0.9%

- **All three Service Boards had higher ridership than last year.**

Sales Tax and Economic Indicators

Sales Tax



- **The RTA actual sales tax for November 1994 was up 5.0% from October.** Year end actuals have not been received as of this report.

- **After eleven months of 1994, sales tax results were $8.1 million higher than budget and $29.8 million higher than the same period last year.**

- **If sales tax stays on budget for December, then we would end the year at $494.9 million.** This would be $8.1 million or 1.7% higher than budget, and $32.5 million or 7.0% higher than 1993's total.

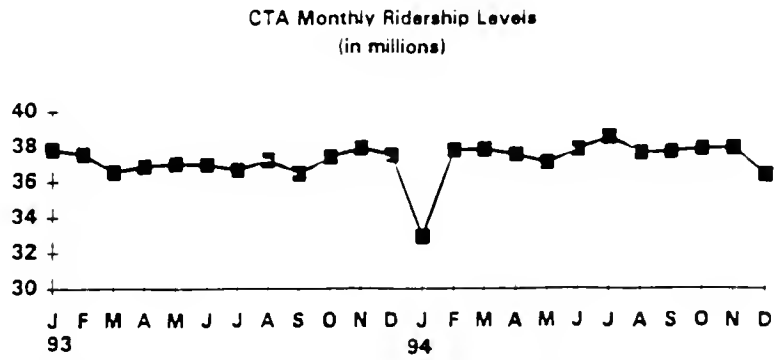
Economic Indicators

- **The economy ended 1994 with its strongest growth in a decade and at least by one measure, its lowest inflation rate in 30 years.** The United States gross domestic product grew at an annual rate of 4.5% in the fourth quarter of 1994 compared with a 4.0% rate in the third quarter. The inflation measure used in this report rose just 2.5% in the fourth quarter.

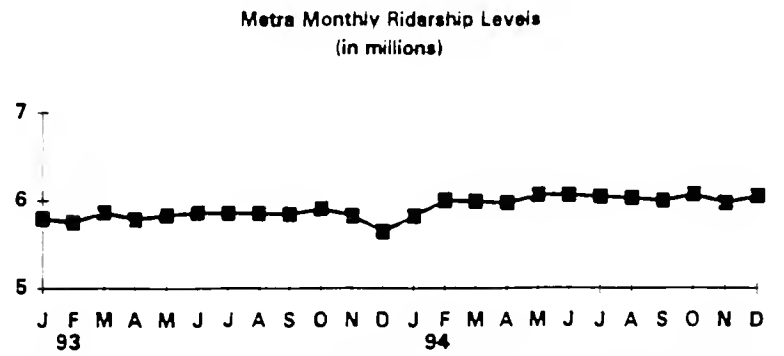
- **The Federal Reserve pushed up short-term interest rates another half percentage point to their highest level in four years.** To avoid an acceleration of inflation from today's low levels, Fed officials have said they hope to slow the growth rate of the economy to around 2.5%.

- **The unemployment rate jumped to 5.7% in January from 5.4% in December.** This was the first increase in the unemployment rate in more than a year and a sign that the economy is cooling. The Labor Department also reported that employers created only 134,000 jobs last month, about half the pace of previous months.

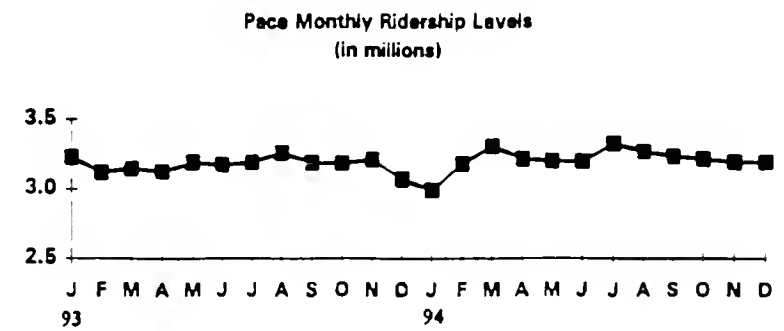
Ridership



- **The CTA ended December with a decrease of 4.0% from November's level.** The ridership level had consecutive increases in the three months before December after an initial fall in August when the monthly pass increased from $72 to $78.



- **Metra's ridership for December was up 1.4%.** Since February, Metra's ridership has remained constant at a fairly high level.



- **Pace's December ridership was flat with November.** Pace's monthly pass price increased from $72 to $78 in September and the ridership level had been down since that action.

Regional Transportation Authority Financial Results

(in millions)

	4th Qtr 1994	Fav/(Unfav) Budget	Full Year 1994	Fav/(Unfav) Budget
Revenues	$159.2	$4.1	$651.4	$9.9
Operations	143.1	0.4	589.5	1.9
Capital/Debt	16.3	(4.3)	54.7	3.0
Fund Balance Chg	($0.2)	$0.2	$7.2	$14.8
Recovery Ratio	54.4%	1.7 pts.	52.6%	0.8 pts.

- **RTA revenues for 1994 were favorable to budget by $9.9 million due to favorable variances in sales tax and PTF.** This favorable variance was partially reduced by an unfavorable variance in interest income of $0.7 million due to lower cash balances. Please note that the sales tax results for December have not yet been received.

- **Operations funding was $1.9 million favorable to budget because of lower than expected spending at the RTA.** This includes projects such as ADA and Reduced Fare.

- **Capital and debt service was $3.0 million favorable to budget.** Lower than anticipated spending on PRT was a major factor.

- **The regional recovery ratio was 52.6%, or 0.8 points higher than budget.** This favorable variance is largely due to Metra and Pace's favorable budget performance.

Chicago Transportation Authority Financial Results
(in millions)

	4th Qtr 1994	Fav/(Unfav) Budget	Full Year 1994	Fav/(Unfav) Budget	Fav/(Unfav) 1993
Revenues	$108.5	$3.0	$397.2	($0.3)	$2.9
Expenses	195.5	(0.1)	752.8	0.3	10.0
Deficit	$87.0	$2.9	$355.6	$0.0	$12.9
Recovery Ratio	55.5%	1.3 pts	53.0%	0.0 pts	1.1 pts
Passengers	112.5	0.7	448.2	(6.8)	2.6

Actual vs Budget Deficit Variance
Fav/(Unfav) (in millions)

Qtr1	Qtr2	Qtr3	Qtr4	Full Year
($7.8)	($0.9)	$5.8	$2.9	$0.0

- **The CTA's unfavorable deficit variance versus budget started in the first quarter of this year, which is reflected in the $7.8 million unfavorable deficit variance through March.** The weather hurt ridership and also increased expenses. A slight delay in closing the Green Line and a delay in implementing the incentive retirement program were other factors contributing to the first quarter unfavorable variance.

- **The second quarter deficit variance was just $0.9 million unfavorable.** A one-time reduction of $3.3 million in the health insurance reserve occurred in the second quarter.

- **The third quarter's deficit was $5.8 million favorable to budget.** The monthly pass was raised from $72 to $78. which helped revenues. The positive effects of the incentive retirement program. deferral of non-emergency work, and reduction in non-essential overtime contributed to the favorable variance in the deficit.

- **The CTA's deficit was $2.9 million favorable to budget for the fourth quarter, which brought the full year deficit even with budget.** Revenues were $3.0 million favorable to budget for the quarter. mainly due to an increase in the monthly pass price in August. Expenses were slightly unfavorable for the quarter.

- **The CTA's deficit was $12.9 million less than last year due to the temporary closing of the Green Line and a pension contribution moratorium.** General cost increases offset some of these positive trends.

Metra Financial Results

(in millions)

	4th Qtr 1994	Fav/(Unfav) Budget	Full Year 1994	Fav/(Unfav) Budget	Fav/(Unfav) 1993
Revenues	$46.0	$0.8	$185.5	$6.8	$8.9
Expenses	80.3	1.2	323.7	3.6	(10.8)
Deficit	$34.3	$2.0	$138.2	$10.4	($1.9)
Recovery Ratio	57.8%	1.9 pts.	57.7%	2.7 pts.	0.8 pts.
Passengers	17.8	0.1	72.0	0.7	2.1

- **Metra's full year deficit was $10.4 million favorable to budget due to favorable revenues and expenses.** Revenues and expenses were $6.8 million and $3.6 million favorable to budget, respectively.

- **Favorable farebox revenues accounted for $2.8 million of the favorable revenue variance to budget.** Favorable ridership and a higher than budgeted average fare accounted for this positive variance.

- **Other revenues for the year were favorable to budget by $4.4 million.** Most of the favorable revenue in this category was from grant project credits and lease revenue.

- **Expenses were $3.6 million or 1.1% favorable to budget for 1994.** Unfavorable budget performance in claims and maintenance costs were more than offset by favorable performance in other areas.

- **The full year recovery ratio was 57.7%, or 2.7 points favorable to budget.**

Pace Financial Results
(in millions)

	4th Qtr 1994	Fav/(Unfav) Budget	Full Year 1994	Fav/(Unfav) Budget	Fav/(Unfav) 1993
Revenues	$8.9	$0.1	$33.9	($0.2)	$1.2
Expenses	25.2	0.2	96.4	2.1	(4.4)
Deficit	$16.3	$0.3	$62.5	$1.9	($3.2)
Recovery Ratio	35.5%	0.5 pts	35.1%	0.6 pts	(0.4) pts
Passengers	9.7	0.0	38.6	0.9	0.4

- **Pace's full year deficit was $1.9 million favorable to budget primarily due to favorable expense performance.** Almost $0.8 million of the favorable expense variance is attributed to a lower level of spending than planned for the RTA Paratransit Grant. Per the grant agreement, Pace will not receive reimbursement for this portion of the budget surplus. This exclusion has the effect of reducing the positive budget variance to $1.1 million.

- **Revenues through December were $0.2 million unfavorable to budget, but $1.2 million higher compared to prior year levels.** Farebox revenues were below budget mainly due to less expansion than planned in the vanpool program. Other revenue, which includes investment income and advertising revenues, was favorable to budget due to higher interest rates.

- **Expenses for the year were $2.1 million favorable to budget, but $4.4 million higher than last year.** All expense categories, except for insurance and claims, were favorable to budgeted levels. Insurance and claims costs were $0.4 million unfavorable to budget due to several large liability claims.

- **Pace's 1994 recovery ratio was 35.1% or 0.6 points favorable to budget and was 0.4 points lower compared to 1993.**

RTA Financial Detail

Regional Transit Authority Financial Results
(in millions)

	4th Qtr 1994	Fav/(Unfav) Budget	Fav/(Unfav) 1993	Full Year 1994	Fav/(Unfav) Budget	Fav/(Unfav) 1993
Sales Tax	$134.2	$2.3	$5.4	$494.9	$8.1	$32.5
Less: Sales Tax for Capital	(8.2)	0.0	(0.5)	(21.3)	0.0	(4.0)
Public Transportation Fund	31.5	1.3	2.7	124.0	2.5	8.2
FTA Operating	0.0	0.0	0.0	49.5	0.0	0.2
RTA Interest & Other Grants	1.7	0.5	(1.7)	4.3	(0.7)	(3.3)
Total Revenue	$159.2	$4.1	$5.9	$651.4	$9.9	$33.6
RTA Funding of Service Boards	$139.7	$0.0	($3.8)	$577.5	$0.0	($8.9)
RTA Agency Expenses	3.4	0.4	(0.2)	12.0	1.9	(0.4)
Total Operations Funding	$143.1	$0.4	($4.0)	$589.5	$1.9	($9.3)
Available After Funding	$16.1	$4.5	$1.9	$61.9	$11.8	$24.3
RTA Capital & Debt Service	$12.8	($4.3)	($4.0)	$40.7	$3.0	($20.0)
RTA Funding of Capital	3.5	0.0	(2.9)	14.0	0.0	(5.2)
Total Capital/Debt	$16.3	($4.3)	($6.9)	$54.7	$3.0	($25.2)
Change to Fund Balance	($0.2)	$0.2	N/A	$7.2	$14.8	N/A
Regional Recovery Ratio	54.4%	1.7 pts.	0.3 pts.	52.6%	0.8 pts.	0.5 pts.
Memo: Funding of Service Board Operations						
Revenues	$163.4	$3.9	$1.0	$616.5	$6.1	$13.0
Expenses	301.0	1.3	(1.4)	1,172.9	6.2	(5.2)
Deficits	$137.6	$5.2	($0.4)	$556.4	$12.3	$7.8
Positive Budget Variance	2.1	(5.2)	(3.4)	12.3	(12.3)	(7.3)
Loan	10.0	0.0	(10.0)	10.0	0.0	(10.0)
Service Board Contributions	0.0	0.0	0.0	(1.2)	0.0	0.6
RTA Funding for Operations	$139.7	$0.0	($3.8)	$577.5	$0.0	($8.9)

(Pending final closing of the Pace Paratransit Grant, this variance is likely to be reduced by $0.8 million.)

Chicago Transit Authority Financial Results
(in millions)

	4th Qtr	Fav/(Unfav)		Full Year	Fav/(Unfav)	
	1994	Budget	1993	1994	Budget	1993
Farebox Revenue	$90.8	$3.0	$1.2	$357.8	($2.0)	$1.8
Reduced-Fare Reimbursement	10.1	0.6	0.7	21.3	0.5	0.9
Other Revenue	7.6	(0.6)	(2.1)	18.1	1.2	0.2
Total Revenue	$108.5	$3.0	($0.2)	$397.2	($0.3)	$2.9
Labor	$131.9	($1.2)	$13.6	$511.1	$1.7	$33.7
Material	21.5	(4.4)	(3.2)	69.0	(4.2)	(7.4)
Fuel	3.9	0.9	0.4	15.6	1.7	0.0
Power	4.2	0.8	0.5	17.0	3.9	4.4
All Other	22.5	3.0	(8.7)	73.4	(2.8)	(14.6)
Provision for Injury and Damages	8.5	0.0	(1.6)	33.6	0.0	(6.1)
Passenger Security Exemption	0.0	0.8	0.6	3.1	0.0	0.0
Total Expenses	$195.5	($0.1)	$1.6	$752.8	$0.3	$10.0
Operating Deficit	$87.0	$2.9	$1.4	$355.6	$0.0	$12.9
Recovery Ratio	55.5%	1.3 pts	0.2 pts	53.0%	0.0 pts	1.1 pts

	4th Qtr	Higher/(Lower) Than:		Full Year	Higher/(Lower) Than:	
	1994	Budget	1993	1994	Budget	1993
Passengers	112.5	0.7	(1.1)	448.2	(6.1)	1.5
Vehicle Miles	29.3	(2.9)	(3.7)	122.0	(5.8)	(8.1)
Passenger Per Mile	3.8	0.2	0.4	3.7	0.1	0.3

Metra Financial Detail

Metra Financial Results
(in millions)

	4th Qtr	Fav/(Unfav)		Full Year	Fav/(Unfav)	
	1994	Budget	1993	1994	Budget	1993
Farebox Revenue	$38.1	$0.2	$1.1	$153.9	$2.8	$5.1
Reduced Fare	0.5	0.1	0.1	1.0	(0.4)	(0.3)
Other Revenue	7.4	0.5	(1.2)	30.6	4.4	4.1
Total Revenue	$46.0	$0.8	$0.0	$185.5	$6.8	$8.9
Operations	$28.8	($0.2)	($1.7)	$116.3	$0.8	($2.7)
Maintenance	31.8	0.2	(1.0)	127.2	(1.0)	(7.1)
Administration	6.7	1.4	0.4	29.2	3.4	0.6
Fuel/Power	3.9	1.0	0.1	15.7	3.6	1.6
Claims	4.2	(1.2)	(1.0)	15.8	(3.8)	(2.3)
All Other	4.9	0.0	0.2	19.5	0.6	(0.9)
Total Expenses	$80.3	$1.2	($3.0)	$323.7	$3.6	($10.8)
Operating Deficit	$34.3	$2.0	($3.0)	$138.2	$10.4	($1.9)
Recovery Ratio	57.8%	1.9 pts	(2.2) pts	57.7%	2.7 pts	0.8 pts

Operating Data	4th Qtr	Higher/(Lower)		Full Year	Higher/(Lower)	
	1994	Budget	1993	1994	Budget	1993
Passengers	17.8	0.1	0.5	72.0	0.7	2.1
Vehicle Miles	5.9	0.1	0.2	24.0	0.0	(0.1)
Passenger per Mile	3.0	0.1	0.2	3.0	0.0	0.1

Pace Financial Results
(in millions)

	4th Qtr	Fav/(Unfav)		Full Year	Fav/(Unfav)	
	1994	Budget	1993	1994	Budget	1993
Farebox Revenue	$7.9	$0.0	$0.7	$30.1	($0.3)	$0.8
Reduced-Fare Reimbursement	0.4	0.0	0.3	1.4	(0.3)	(0.1)
Other Revenue	0.6	0.1	0.2	2.4	0.4	0.5
Total Revenue	$8.9	$0.1	$1.2	$33.9	($0.2)	$1.2
Operations	$14.4	$0.5	($0.4)	$57.2	$0.6	($3.0)
Maintenance	3.4	0.5	1.1	14.1	0.8	0.1
Non-Vehicle Maintenance	0.3	0.1	0.0	1.4	0.1	(0.1)
Fuel	0.6	0.1	0.1	2.6	0.3	0.1
Insurance and Claims	1.5	(0.4)	(0.5)	4.5	(0.4)	(0.4)
Administration	5.0	(0.6)	(0.3)	16.6	0.7	(1.1)
Total Expenses	$25.2	$0.2	$0.0	$96.4	$2.1	($4.4)
Operating Deficit	$16.3	$0.3	$1.2	$62.5	$1.9	($3.2)
Recovery Ratio	35.5%	0.5 pts	4.6 pts	35.1%	0.6 pts	(0.4) pts

Operating Data	4th Qtr	Higher/(Lower) Than:		Full Year	Higher/(Lower) Than:	
	1994	Budget	1993	1994	Budget	1993
Passengers	9.7	0.0	0.2	38.6	0.9	0.4
Vehicle Miles	7.9	(0.7)	(0.1)	32.1	(0.7)	0.1
Passenger Per Mile	1.2	0.1	0.0	1.2	0.0	0.0

* Pending final closing of the Pace Paratransit Grant this variance is likely to be reduced $0.8 million.

Metra Financial Detail